



Norfolk Southern Corporation
Law Department
Three Commercial Place
Norfolk, Virginia 23510-9241

FILED

SEP 24 2010

**SURFACE
TRANSPORTATION BOARD**

Daniel G. Kruger
Attorney

SEP 29 2010

Writer's Direct Dial Number

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227893

September 27, 2010

NOTICE: FILING CONTAINS MAP APPENDIX

Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423-0001

FEE RECEIVED

SEP 29 2010

TRANSPORTATION BOARD

Re: Finance Docket Matter No. 35395, Trackage Rights Exemption--Norfolk Southern Railway Company--Illinois Central Railroad Company.

Dear Ms. Brown:

Enclosed for filing please find an original and ten copies of the Verified Notice of Exemption submitted in the above-referenced proceeding, together with twenty additional copies of the map that appears as Exhibit 1 thereto. Also enclosed is a check for \$1,200.00 covering the costs set forth in 49 C.F.R. Section 1002.2(f)(40)(iv).

The original of this filing is clipped, but all copies have been stapled. Also submitted are three IBM-compatible compact discs, each with an electronic copy of this filing in PDF format and a file capable of being read by Microsoft Word. These discs are labeled with the Docket Number as well as the title to the proceeding.

An additional copy of the Notice also is enclosed. Please indicate receipt and filing by time-stamping this extra copy and returning it in the enclosed self-addressed stamped envelope.

ENTERED
Office of Proceedings

SEP 29 2010

Public Hearing

Sincerely,

Daniel G. Kruger

Enclosures

SEP 29 2010

Public Records

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35395

227893

NORFOLK SOUTHERN RAILWAY COMPANY
– TRACKAGE RIGHTS EXEMPTION –
ILLINOIS CENTRAL RAILROAD COMPANY

VERIFIED NOTICE OF EXEMPTION

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SURFACE
TRANSPORTATION BOARD

Pursuant to 49 C.F.R. Parts 1180.2(d)(7) and 1180.4(g), Norfolk Southern Railway Company ("Norfolk Southern") hereby files this Verified Notice of Exemption from the prior approval requirements of 49 U.S.C. Section 11323, et seq., to permit Norfolk Southern to exercise overhead trackage rights over approximately 199.1 miles of rail line controlled by Illinois Central Railroad Company ("IC"), between: (1) MP 6.2 at Church, Illinois, to MP 70.0 at DuQuoin, Illinois; (2) MP 71.0 at Eldorado Junction, Illinois, to MP 100.0 at Akin Junction, Illinois; (3) MP 62.9 at Akin Junction, Illinois and MP 40.7 at North Siding, Illinois; and (4) MP 40.7 at North Siding, Illinois and the IC's connection to the Western Tennessee Railroad at MP 269.4 (a distance of approximately 1.8 miles). The trackage rights are based upon a written agreement and are not filed or sought in a responsive application to a rail consolidation proceeding. Accordingly, they are exempt from the prior approval requirements of 49 U.S.C. Section 11323.

In furtherance of this, Norfolk Southern hereby files this notice of exemption for the proposed transaction, and submits the following information in support thereof:

- a. Correspondence.

The person to whom correspondence with respect to this Notice should be addressed (49 C.F.R. Section 1180.6(a) is:

Daniel G. Kruger
Attorney
Norfolk Southern Corporation
Three Commercial Place
Norfolk, VA 23510-2191
(757) 533-4939
(757) 629-2607 (Fax)

b. Transaction Summary.

The following is a summary of the transaction, its proposed timing, and the purpose of the proposed transaction (49 C.F.R. Sections 1180.6(a)(1)(i)-(iii)):

Norfolk Southern (with its consolidated subsidiaries) is a Virginia corporation with its business address of Three Commercial Place, Norfolk, VA 23510. It is a Class I railroad and a wholly-owned subsidiary of Norfolk Southern Corporation, a holding company. Norfolk Southern Corp. – Control – Norfolk & W. Ry. Co., 366 I.C.C. 173 (1982). Norfolk Southern (with its subsidiaries) operates a rail system that extends throughout 22 states and the District of Columbia in the eastern United States, except New England.

The other rail carrier involved in this transaction is Illinois Central Railroad Company, an Illinois corporation and wholly owned, indirect subsidiary of Canadian National Railway Company. See Canadian National Ry. Co. – Control – Illinois Central Corp., 4 S.T.B. 122 (1999).

Under the proposed transaction, Norfolk Southern will be authorized to use overhead trackage rights over approximately 199.1 miles of rail line controlled by IC, between: (1) MP 6.2 at Church, Illinois, to MP 70.0 at DuQuoin, Illinois; (2) MP 71.0 at

Eldorado Junction, Illinois, to MP 100.0 at Akin Junction, Illinois;¹ (3) MP 62.9 at Akin Junction, Illinois and MP 40.7 at North Siding, Illinois; and (4) MP 40.7 at North Siding, Illinois and the IC's connection to the Western Tennessee Railroad at MP 269.4 (a distance of approximately 1.8 miles).² The basic purpose sought to be accomplished by the proposed transaction is to enable Norfolk Southern to efficiently route traffic over the IC for further transportation beyond the endpoints of Church, Illinois, and the Western Tennessee Railroad connection near Fulton, Kentucky.

The proposed transaction described herein will be consummated no sooner than the latter of (1) the effective date of this Notice, or (2) the expiration of any labor notice period to which the carriers may be subject. Although the trackage rights agreement is dated August 17, 2009, no traffic has moved pursuant to the agreement.

c. Applicant's location.

The Applicant operates in the following locations (49 C.F.R. Section 1180.6(a)(5):

In addition to the District of Columbia, Norfolk Southern operates in the States of Alabama, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Michigan, Mississippi, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, and West Virginia.

d. Map.

¹ Norfolk Southern has existing trackage rights over IC's line between MP 70.0 at DuQuoin, Illinois, and MP 71.0 at Eldorado Junction, Illinois. See Southern Railway Company and Norfolk Southern Corporation – Purchase – Illinois Central Railroad Company Line Between Fulton, KY and Haleyville, AL – And Trackage Rights – Illinois Central Railroad Company Line Between Fulton, KY and Centralia, IL, Fin. Docket No. 31088 (ICC served May 19, 1988).

² Note that a portion of this route is over tracks owned by the Paducah & Illinois Railroad Company, which is controlled by the IC, and that Norfolk Southern's use is contingent upon obtaining permission to operate over the Paducah & Illinois.

Pursuant to 49 C.F.R. Section 1180.6(a)(6), a map, showing the lines subject to the proposed transaction, together with those of relevant short line connections and other rail lines in the region, together with the principal geographic points in the region traversed, is attached hereto as Exhibit 1.

e. Agreement.

Pursuant to 49 C.F.R. Section 1180.6(a)(7)(ii), a copy of the executed agreement showing the significant terms of the proposed transaction (and redacting the confidential business terms) is attached hereto as Exhibit 2. Norfolk Southern has today submitted a petition for protective order. Separately Norfolk Southern has today submitted – on a confidential basis – an unredacted version of the executed agreement.

f. Labor Protection.

Any employees adversely affected by the trackage rights are entitled to protection under the conditions imposed in Norfolk and Western Railway Company – Trackage Rights – Burlington Northern, Inc., 354 I.C.C. 605 (1978), as modified by Mendocino Coast Railway, Inc. – Lease and Operate – California Western Railroad, 360 I.C.C. 653 (1980).

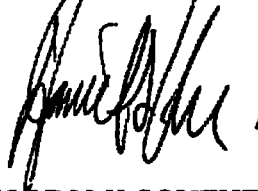
g. Environmental and History Documentation.

The proposed transaction qualifies under 49 C.F.R. Section 1105.6(c)(4) and as such, no environmental documentation is required. Likewise, the proposed transaction qualifies under 49 C.F.R. Section 1105.8(b)(3) and as such, no historic report will be prepared.

h. Caption Summary.

A caption summary suitable for publication in the Federal Register is attached
hereto as Exhibit No. 3.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Daniel G. Kruger", is written over the typed name.

NORFOLK SOUTHERN RAILWAY COMPANY
Three Commercial Place
Norfolk, Virginia 23510

By: Daniel G. Kruger
Attorney
Norfolk Southern Corporation
Three Commercial Place
Norfolk, VA 23510
(757) 533-4939
(757) 629-2607 (Fax)

Dated: September 27, 2010

Exhibit 1

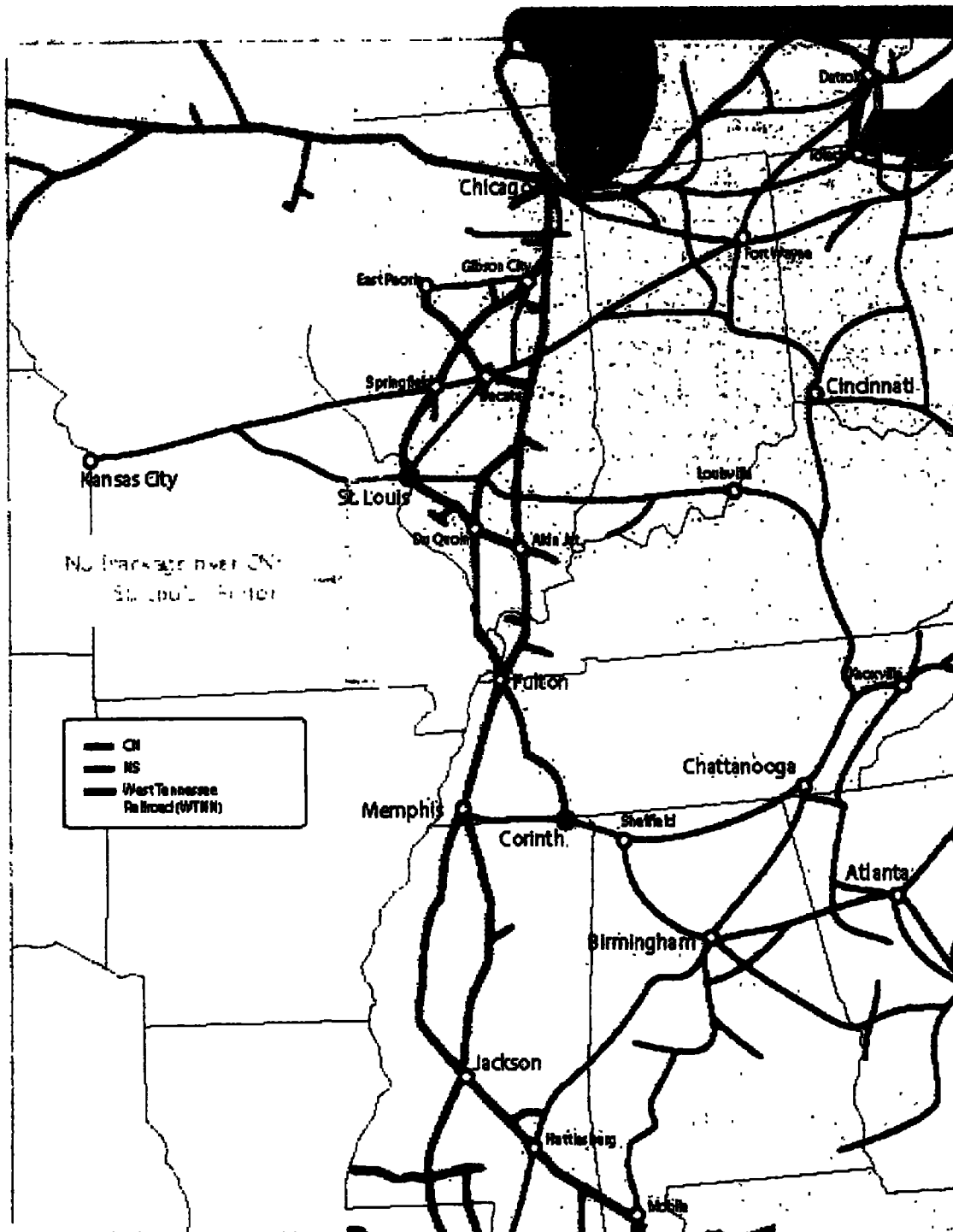


Exhibit 2
Agreement

TRACKAGE RIGHTS AGREEMENT

Agreement No. _____

between

ILLINOIS CENTRAL RAILROAD COMPANY

("Owner")

And

NORFOLK SOUTHERN RAILWAY COMPANY

("User")

Relating to User's Limited Trackage Rights Over

Owner between Owner's connection with the line jointly owned by

Union Pacific Railroad Company and Kansas City Southern Railway Company

**("UP/KCS Joint Line") at East St. Louis, IL and Owners connection to the West
Tennessee Railroad, LLC. ("WTRR") at Fulton, KY on Owners Fulton Subdivision.**

TRACKAGE RIGHTS AGREEMENT

THIS AGREEMENT, entered into as of this 17th day of August 2009, by and between **ILLINOIS CENTRAL RAILROAD COMPANY** (hereinafter referred to as "**Owner**") and **NORFOLK SOUTHERN RAILWAY COMPANY** (hereinafter referred to as "**User**").

WHEREAS, Owner owns and operates segments of railroad located between Owner's connection with UP/KCS Joint Line (Church) at East St. Louis, IL and Duquoin, IL on Owner's St. Louis Subdivision, a segment of railroad between Eldorado Jct, IL and Akin Jct, IL on Owner's Eldorado Subdivision, a segment of railroad between Akin Jct, IL and North Siding, IL on Owner's Bluford Subdivision and a segment of railroad between North Siding, IL and Owners connection to the WTRR at Fulton, KY on Owners Fulton Subdivision; and

WHEREAS, Owner and User entered into an agreement dated August 17, 1987, as amended which provides among other things for operation by User of its trains over Owner between Centralia, IL and Fulton, KY ("Centralia – Fulton Trackage Rights") including the connection to the West Tennessee Railroad, LLC ("WTRR") which Owner has agreed at Owner's sole cost and expense to restore in according to the terms of the Letter Agreement dated August 7, 1996 at or near Owner's Milepost 406.1 on Owner's Cairo Subdivision, and in addition such Centralia – Fulton Trackage Rights provide for continuity between Duquoin, IL and Eldorado Jct, IL; and

WHEREAS, User has requested and Owner is agreeable to granting User limited overhead trackage rights for the movement of traffic over Owners segments of railroad between East St. Louis, IL and Duquoin, IL, between Eldorado Jct, IL and Akin Jct, IL, between Akin Jct, IL and North Siding, IL and between North Siding, IL and Owner's connection with the WTRR at Fulton, KY; and subject to the terms and conditions set forth herein.

NOW THEREFORE, the parties hereto, intending to be legally bound, agree as follows:

SECTION 1.0 GRANT OF TRACKAGE RIGHTS

1.1 Subject to the terms and conditions herein provided, Owner hereby grants to User the right to operate, in overhead freight service only, its trains, locomotives, cars, and equipment with its own crews (hereinafter referred to as the "Trackage Rights") over the following segments of Owner's railroad as shown on the plan attached hereto, made a part hereof and marked Exhibit "A" (hereinafter referred to as the "Subject Trackage"):

- That portion of Owner's railroad between Milepost 6.2 (Church) Owners connection to the UP/KCS Joint Line at East St. Louis, IL and Milepost 70.0 (Duquoin) at Duquoin, IL on Owner's St. Louis Subdivision, a distance of approximately 63.8 miles.
- That portion of Owner's railroad between Milepost 71.0 (Eldorado Jct) at Eldorado Jct, IL and Milepost 100.0 (Akin Jct) at Akin Jct, IL on Owner's Eldorado Subdivision, a distance of approximately 29 miles.

- That portion of Owner's railroad between Milepost 62.9 (Akin Jct.) at Akin Jct, IL and Milepost 40.7 (North Siding) at North Siding, IL on Owner's Bluford Subdivision, a distance of approximately 104.5 miles.

The portion of Owner's segment between MP 0.0 and MP 14.0 is owned by the Paducah & Illinois Railroad Company ("P&I"), which in turn is jointly owned by Owner with BNSF Railway Company ("BNSF") and the Paducah & Louisville Railway Inc. ("PAL"). Use of Owner's segment is contingent upon Owner and/or User successfully obtaining rights for User's traffic to traverse the P&I.

- That portion of Owner's railroad between Milepost 40.7 (North Siding) at North Siding, IL and Owners connection to the WTRR at Milepost 269.4 at Fulton, KY on Owner's Fulton Subdivision, a distance of approximately 1.8 miles.
- The total distance of the Trackage Rights granted is approximately 199.1 miles.
- Such rights shall include (1) all sidings, yard tracks and yard leads now existent or hereafter constructed along the aforesaid tracks to be used hereunder, and (2) right-of-way for the aforesaid tracks, signals, interlocking devices and plants, telegraph and telephone lines, and other appurtenances necessary to the use hereunder of the aforesaid tracks by the parties hereto.
- Such rights shall include the right to enter and exit the Subject Trackage at:
 - User's proposed connection to Owner just east of Church at St Louis, IL on Owner's St Louis Subdivision, such connection to be constructed at User's sole cost and expense.
- It is the party's intent that such rights granted herein shall be connective with those trackage rights granted in the agreement between the parties dated August 17, 1987.

SECTION 2.0 USE OF SUBJECT TRackage

2.1 User's use of the Subject Trackage shall be in common with Owner and any other user of the Subject Trackage, and Owner's right to use the Subject Trackage shall not be diminished by this Agreement. Owner shall retain the exclusive right to grant to other persons rights of any nature in the Subject Trackage.

2.2 Except as may otherwise be provided by this Agreement User shall not use any part of the Subject Trackage for the purpose of switching, storage or servicing of cars or equipment, or the making or breaking up of trains, except that nothing contained herein shall, upon prior approval of Owner, preclude the emergency use by User of such auxiliary tracks as may be designated by Owner for such purpose.

2.3 Owner shall have exclusive control of the management and operation of the Subject Trackage. User shall not have any claim against Owner for liability account of loss or damage of any kind in the event the use of the Subject Trackage by User is interrupted or delayed at any time from any cause.

2.4 User shall have the right to operate in either direction over the Subject Trackage.

2.5 User have the right to operate the following trains over the Subject Trackage:

[REDACTED]

- [REDACTED]
- Train volume limitations between Centralia, IL – Fulton, KY shall be governed by the trackage rights agreement, dated August 17, 1987, as amended, and such August 17, 1987 agreement will not be considered amended by this agreement.

2.6 It is the intent of the parties that the trains above be operated in accordance with Owner's scheduled railroad operation during the week, but that business volumes and operational circumstances may cause train and car volumes to not be equal everyday of the week, and that scheduled trains may be operated early or late due to operational circumstances. Owner and User further agree to use their best mutual efforts to develop and accommodate additional volumes and capacity over all routes. The parties acknowledge that the addition in volumes on certain routes may have the effect of increasing or decreasing the appropriate compensation and agree to work to accommodate the same.

2.7 Owner and User agree that the Trackage Rights provided under this agreement shall be equal to the service Owner provides for its own rail traffic of similar type and commodity. Owner shall exercise reasonable diligence in the handling of trains under this Agreement to accomplish the through movement without undue delay. The management, operation, dispatching and maintenance of the Subject Trackage shall, at all times, be under the exclusive direction and control of Owner, and the movement of trains over and along the Subject Trackage shall at all times be subject to the direction and control of Owner's authorized representatives and in accordance with such reasonable operating rules as Owner shall from time-to-time institute, but the management, operation, dispatching and maintenance of the Subject trackage shall be made on a nondiscriminatory basis, without reference to ownership irrespective of whether the traffic is that of Owner or User, except that the dispatching of scheduled trains will be considered superior to both unscheduled trains and scheduled trains operating out of slot for both parties.

2.8 User shall insure that the locomotives are fueled to a capacity that enables User's trains to traverse the Subject Trackage without having to be fueled.

2.9 User's crews when entering the Subject Trackage must have sufficient time in which to traverse the Subject Trackage without having to recrew. If User's train is going to need to be recrewed then User's crew must notify Owner prior to expiring on the hours of service so that Owner's dispatcher can plan accordingly. User will arrange to have a recrew meet the train in order to cause minimum amount of delay. In the case of a mechanical failure, Section 9.14 shall apply as to the re-crewing of User's trains at Owner's option

SECTION 3.0 RESTRICTION ON USE

3.1 The trackage rights herein granted are granted for the sole purpose of User using same for bridge traffic only between the terminals (including those entry and exit locations defined in Section 1.0) of Subject Trackage and User shall not perform any local freight service whatsoever at any point located on Subject Trackage.

SECTION 4.0 COMPENSATION

4.1 The factor to be used in calculating payments to be made by User for the Trackage Rights covered by this Agreement shall be [REDACTED]

4.2 Thereafter, User will pay Owner a sum computed by multiplying: [REDACTED]

4.3 With respect to articulate units, the number of cars shall be determined by [REDACTED]

4.4 User will furnish to Owner, in care of Manager Contract Compliance, or their designates, at the end of each month, a statement of the number of [REDACTED] operated over the Joint Trackage during the month. Based on this statement, Owner will render to User a bill, computed in accordance with the provisions of this Section 4, for User's use of the Joint Trackage.

4.5 The Base Charge shall be [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

PROVIDED, HOWEVER that under no circumstances shall the Base Charge ever be [REDACTED]

SECTION 5.0 PAYMENT OF BILLS

5.1 [REDACTED]

5.2 [REDACTED]

5.3 [REDACTED]

SECTION 6.0 MAINTENANCE OF SUBJECT TRACKAGE

6.1 Owner shall maintain, repair, and renew the Subject Trackage at its own expense and with its own supervision and labor. Owner shall keep and maintain the Subject Trackage in reasonably good condition for the use herein contemplated, but Owner does not guarantee the condition of the Subject Trackage or that operations there over will not be interrupted. Owner shall take all reasonable steps to ensure that any interruptions will be kept to a minimum. Furthermore, except as may be otherwise provided in Section 12 hereof, User shall not by reason of failure or neglect on the part of Owner to maintain, repair, or renew the Subject Trackage, have or make any claim or demand against Owner or its parent corporation,

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

subsidiaries or affiliates, or their respective directors, officers, agents or employees for any injury to or death of any person or persons whomsoever, or for any damage to or loss or destruction of any property whatsoever, or for any damages of any nature suffered by User resulting from any such failure or neglect.

6.2 Owner shall also perform, at the expense of User, such additional maintenance as User may reasonably require or request.

SECTION 7.0 CONSTRUCTION AND MAINTENANCE OF CONNECTIONS

7.1 Existing connections or facilities which are jointly used by the parties hereto under existing agreements or practices shall continue to be maintained, repaired, and renewed by and at the expense of the party or parties responsible for such maintenance, repair, and renewal under such agreements or practices.

7.2 Any additional connections to the Subject Trackage which may be required shall be subject to the Owner's approval (including design) and shall be constructed, maintained, repaired, and renewed as follows:

- (i) User or others shall furnish all labor and material and shall construct, maintain, repair, and renew at its sole cost, liability and expense such portions of the tracks located on the right-of-way of User or others which connect the respective lines of the parties hereto; and
- (ii) Owner shall furnish all labor and material and shall construct, maintain, repair, and renew at the sole cost, liability and expense of User such portions of the tracks located on the right-of-way of Owner which connect the respective lines of the parties hereto.
- (iii) Upon termination of this Agreement, Owner may at its option remove portion of trackage and appurtenances located on property of Owner, at the sole cost and expense of User. The salvage material removed shall be released to User or, as otherwise agreed upon, Owner will credit User the current fair market value for said salvage.
- (iv) The Parties intend to construct a connection between Owner's St. Louis Line and the User's Southern West District Line east of Church at St. Louis, IL, such connection to be constructed, maintained and renewed at User's sole cost and expense. In the event that CN desires use of the proposed connection in the future, the Parties will negotiate the level of contribution by CN toward the cost of the connection.

SECTION 8.0 ADDITIONS, RETIREMENTS AND ALTERATIONS

8.1 Owner, from time to time and at its sole cost and expense, may make such changes in, additions and betterments to, and retirements from the Subject Trackage as shall, in its judgment, be necessary or desirable for the economical or safe operation thereof or as shall be required by any law, rule, regulation, or ordinance promulgated by any governmental body having jurisdiction. Such additions and betterments shall become a part of the Subject Trackage and such retirements shall be excluded from the Subject Trackage.

8.2 If User requests Owner to make changes in or additions and betterments to the Subject Trackage, including without limitation changes in communication or signal facilities, for purposes required to accommodate User's operations beyond that required for Owner's operation, Owner shall have the option to either make such changes in or additions and

betterments to the Subject Trackage and User shall pay to Owner the cost thereof, including the annual expense of maintaining, repairing, and renewing such additional or altered facilities, or to deny such request

SECTION 9.0 MANAGEMENT AND OPERATIONS

9.1 When operating over the Subject Trackage, User's locomotives and crews will be equipped to communicate with Owner on radio frequencies normally used by Owner in directing train movements on the Subject Trackage.

9.2 Procedures for qualification and occupancy of the Subject Trackage will be arranged by the local supervision of each carrier. All control and usage will be subject to the approval of Owner's representative or his designee.

9.3 Before its locomotives enter onto the Subject Trackage, User shall request permission from Owner's dispatcher or other designated representative at Owner's rail traffic control center or such other location as Owner may designate. Further, User shall ascertain that said Subject Trackage is clear and shall await confirmation from said representative that such permission has been issued to allow User's movements on or over the Subject Trackage. Upon completing its operations and clearing the Subject Trackage, User will notify Owner's designated representative that it has completed its operations and that its equipment has cleared the Subject Trackage. Once User has notified Owner's representatives that it has cleared the Subject Trackage, User shall not reenter the Subject Trackage without again obtaining permission from Owner's representative. User shall provide and maintain at its expense all communication facilities needed as may be required by Owner to permit User to use Owner's trackage.

9.4 User shall comply with the provisions of the Federal Locomotive Inspection Act and the Federal Safety Appliance Acts, as amended, and all other federal and state laws, regulations, and rules respecting the operation, condition, inspection, and safety of its trains, locomotives, cars, and equipment while such trains, locomotives, cars, and equipment are being operated over the Subject Trackage. User shall indemnify, protect, defend, and save harmless Owner and its parent corporation, subsidiaries and affiliates, and all of their respective directors, officers, agents, and employees from and against all fines, penalties, and liabilities imposed upon Owner or its parent corporation, subsidiaries and affiliates, and all of their respective directors, officers, agents, or employees under such laws, rules, and regulations by any public authority or court having jurisdiction in the premises, when attributable to the failure of User to comply with its obligations in this regard.

9.5 User, in its use of the Subject Trackage, will comply in all respects with the safety rules, operating rules and other regulations of Owner, and the movement of User's trains, locomotives, cars, and equipment over the Subject Trackage shall at all times be subject to the orders of the transportation officers of Owner. User's trains shall not include locomotives, cars or equipment which exceed the width, height, weight or other restrictions or capacities of the Subject Trackage as published in Railway Line Clearances, and no train shall contain locomotives, cars or equipment which require speed restrictions or other movement restrictions below the authorized freight speeds as provided by Owner's operating rules and regulations without the prior consent of Owner. User shall indemnify, protect, defend, and save harmless Owner and its parent corporation, subsidiaries and affiliates, and all their directors, officers, agents and employees from and against all liabilities when attributable to the failure of User to comply with the provisions of this subsection.

9.6 All employees of User engaged in or connected with the operations of User on or along the Subject Trackage shall be required to pass periodic examinations on the rules of Owner related to the Subject Trackage, provided, with respect to such examinations that, upon request of User, Owner shall qualify one or more of User's supervisory officers on Owner's rules and such supervisory officer or officers so qualified shall examine all employees of User engaged in or connected with User's operations on or along the Subject Trackage. Pending qualification of train and engine crews of User, Owner shall furnish a pilot or pilots, at the expense of User, as deemed necessary by Owner, to assist in operating trains of User over the Subject Trackage. User shall pay to Owner, upon receipt of bills therefore, any cost incurred by Owner in connection with the qualification of such employees of User, as well as the cost of pilots furnished by Owner, until such time as such employees are deemed by the appropriate examining officer of Owner to be properly qualified for operation as herein contemplated.

9.7 If any employee of User shall neglect, refuse or fail to abide by Owner's rules, instructions and restrictions governing the operation on or along Owner's property, such employee shall, upon written request of Owner, be prohibited by Owner from working on Owner's property. If any party shall deem it necessary to hold a formal investigation to establish such neglect, refusal or failure on the part of any employee of User, then upon such notice presented in writing, User shall promptly hold an investigation in which all parties concerned shall participate and bear the expense for its officers, counsel, witnesses and employees. Notice of such investigations to User's employees shall be given by User's officers, and such investigation shall be conducted in accordance with the terms and conditions of schedule agreements between User and its employees. If the result of such investigation warrants, such employee shall, upon written request by Owner, be withdrawn by User from service on Owner's property, and User shall release and indemnify Owner from and against any and all claims and expenses because of such withdrawal.

9.8 Due to mechanical inability to proceed under its own power or recrew User's train on the Subject Trackage, Owner shall have the option to furnish motive power or such other assistance (including but not limited to the right to recrew User's train) as may be necessary to haul, help, or push such trains, locomotives, or cars, or to properly move the disabled equipment off the Subject Trackage, and User shall reimburse Owner for the cost of rendering any such assistance.

9.9 If it becomes necessary to make repairs to or adjust or transfer the lading of such crippled or defective cars in order to move them off the Subject Trackage, such work shall be done by Owner and User shall reimburse Owner for the cost thereof.

9.10 In the event Owner and User agree that Owner should retain employees or provide additional employees for the sole benefit of User, the parties hereto shall enter into a separate agreement under which User shall bear all cost and expense for any such additional employees, including without limitation all cost and expense associated with labor protective payments which are made by Owner and which would not have been incurred had the additional employees not been provided.

SECTION 10.0 MILEAGE AND CAR HIRE

[REDACTED]

SECTION 11.0 CLEARING OF WRECKS

11.1 Whenever User's use of the Subject Trackage requires rerailing, wrecking service or wrecking train service, Owner shall perform such service, including the repair and restoration of roadbed, track, and structures. The cost, liability and expense thereof, including without limitation loss of, damage to, and destruction of any property whatsoever and injury to or death of any person or persons whomsoever or any damage to or destruction of the environment whatsoever, including without limitation land, air, water wildlife, and vegetation, resulting therefrom, shall be apportioned in accordance with the provisions of Section 12 hereof. All locomotives, cars, and equipment and salvage from the same so picked up and removed which are owned by or under the management and control of or used by User at the time of such wreck shall be promptly delivered to User.

SECTION 12.0 LIABILITY

12.1 The responsibility and liability between the parties for: (i) any personal injury or death of any person (including employees of the parties and third parties), (ii) any real or personal property damage of any person (including property of the parties and third persons), (iii) any damage or destruction to the environment (including land, air, water, wildlife and vegetation), and (iv) all cleanup and remedial expenses, court costs, litigation expenses and attorney's fees resulting from the use of the Subject Trackage by the parties to this Agreement or by third party users, all of which are collectively referred to as a "Loss", will be divided as follows:

- (a) If a Loss results from the use of the Subject Trackage solely by the trains and locomotives of one of the parties to this Agreement, then that using party shall be solely responsible for the Loss, even if caused partially or completely by the other party.
- (b) If a Loss results from the use of the Subject Trackage by the trains and locomotives of both Owner and User, then: (i) each of Owner and USER is solely responsible for any Loss to its own employees, locomotives and equipment in its own account including lading and (ii) Owner and User are equally responsible for any Loss to the Subject Trackage and Loss sustained by third parties, regardless of the proportional responsibility between or among them as to the cause of the Loss.

Any damage of the environment, including without limitation land, air, water wildlife, and vegetation, occurs with both Owner and User's traffic being involved, then as between themselves, (i) Owner shall be solely responsible for any damage or destruction to the environment and to third parties which results solely from a substance transported in such Owner's traffic and/or Owner's locomotive from which there is a release, (ii) User shall be solely responsible for any damage or destruction to the environment and to third parties which results solely from a substance transported in such User's traffic and/or a User's locomotive from which there was a release, and (iii) responsibility for damage or destruction to the environment and to third parties which results from one or more substances which was (or were) being transported in equipment in the revenue waybill and car hire accounts or locomotives of both Owner and User from which there was a release, shall, to the extent not allocable under subparagraphs (i) and (ii) to the substance released, be shared by the parties in proportion to the total number of cars, in the revenue waybill and car hire account of each party, or equipment or locomotives of the respective parties, from which there was such release.

- (c) If a Loss results from the use of the Subject Trackage by trains and locomotives of both User and any other third party user of the Subject trackage not a party to this Agreement, then User's responsibility for the Loss shall be apportioned in the manner specified in Subsection (b) with the other third party user being considered Owner for the purpose of determining User's share of that portion of the Loss which it must assume.
- (d) Whenever any liability, cost, or expense is assumed by or apportioned to any party to this Agreement hereto under the foregoing provisions, that party shall forever protect, defend, indemnify, and save harmless the other party to this Agreement and its subsidiaries and affiliates, and all of its respective directors, officers, agents, and employees from and against that liability, cost, and expense assumed by that party or apportioned to it, regardless of whether caused in whole or in part by the fault, failure, negligence, misconduct, nonfeasance or misfeasance of the indemnitee or its directors, officers, agents or employees.
- (e) In every case of death or injury suffered by an employee of any party to this Agreement, when compensation to such employee or employee's dependents is required to be paid under any workmen's compensation, occupational disease, employer's liability, or other law, and either of said parties under the provisions of this Agreement is required to pay said compensation, if such compensation is required to be paid in installments over a period of time, such party shall not be released from paying any such future installments by reason of the expiration or other termination of this Agreement prior to any of the respective dates upon which any such future installments are to be paid.
- (f) For purposes of determining liability, pilots furnished by Owner to User pursuant to this Agreement shall be considered as the employees of User while such employees are on board or getting on or off trains of User.
- (g) If any suit or action shall be brought against any party for damages which under the provisions of the Agreement are in whole or in part the responsibility of the other party, said other party shall be notified in writing by the party sued, and the party so notified shall have the right and be obligated to take part in the defense of such suit and shall pay a proportionate part of the judgment and cost, expense and attorneys' fees incurred in such suit according to its liability assumed hereunder.
- (h) In the event of a Loss as set out herein, the parties to this Agreement shall be bound by the Freight Claim Rules, Principles, and Practices of the Association of American Railroads (AAR) as to the handling of any claims for the loss or damage to lading.
- (i) Notwithstanding the provisions of Section 18.5 of this Agreement, for the purposes of this Section 12 the word "equipment" shall mean and be confined to (i) trains, locomotives, cars and cabooses, (ii) vehicles and machinery which are capable of being operated on railroad tracks that, at the time of an occurrence, are being operated on the Subject Trackage, and (iii) vehicles and machinery that, at the time of an occurrence, are on the Subject Trackage or its right-of-way for the purpose of the maintenance or repair thereof or the clearing of wrecks thereon.
- (j) For the purpose of determining liability associated with construction, maintenance, repair and renewal of connections as provided in Section 7, all work performed by Owner shall be deemed performed for the sole benefit of User and, User shall be fully liable for all cost and expense of any and all loss, damage, destruction, injury and death resulting from, arising out of, incidental to or occurring in connection with said construction, maintenance, repair and renewal except when such cost and

expense of loss, damage, destruction, injury or death is caused by the sole negligence of Owner. User shall protect, indemnify, and save harmless Owner and its parent corporation, subsidiaries and affiliates, and all of their respective directors, officers, agents and employees from and against any and all expense and liability for which User is responsible.

SECTION 13.0 INVESTIGATION AND CLAIMS

13.1 Except as provided in Subsection 13.2 hereof, all claims, injuries, deaths, property damages, and losses arising out of or connected with this Agreement shall be investigated, adjusted, and defended by the party bearing the liability, cost, and expense therefor under the provisions of this Agreement.

13.2 Each party will investigate, adjust, and defend all freight loss and damage claims filed with it in accordance with 49 U.S.C. Section 11706 and 49 C.F.R. Section 1005 (or any revised or substitute regulations adopted to modify, supplement or supersede the regulations herein provided), or in accordance with any applicable transportation contract entered into pursuant to 49 U.S.C. Section 10709.

13.3 In the event a claim or suit is asserted against Owner or User which is the other's duty hereunder to investigate, adjust, or defend, then, unless otherwise agreed, such other party shall, upon request, take over the investigation, adjustment, and defense of such claim or suit.

13.4 All costs and expenses in connection with the investigation, adjustment, and defense of any claim or suit under this Agreement shall be included as costs and expenses in applying the liability provisions set forth in this Agreement, except that salaries or wages of full-time employees, including claim agents, attorneys, and other employees of either party engaged directly or indirectly in such work shall be borne by such party.

13.5 Excluding freight loss and damage claims filed in accordance with 49 U.S.C. Section 11706 or 49 C.F.R. Section 1005 or similar regulation, neither party shall settle or compromise any claim, demand, suit, or cause of action for which the other party has any liability under this Agreement without the concurrence of such other party if the consideration for such settlement or compromise exceeds [REDACTED]

13.6 Each Party agrees to indemnify and hold harmless the other Party and their respective stockholders and its parent corporation, subsidiaries and affiliates, and all their respective directors, officers, agents and employees from and against any and all costs and payments, including benefits, allowances and arbitration, administrative and litigation expenses, arising out of claims or grievances made by or on behalf of its own employees, or those of its subsidiaries, either pursuant to employee protective conditions imposed by a governmental agency as conditions for that agency's approval of the Agreement, or pursuant to a collective bargaining agreement. It is the intention of the parties that each party shall bear the full costs of protection of its own employees under employee protective conditions which may be imposed, and of grievances filed by its own employees arising under its collective bargaining agreements with its employees.

13.7 It is understood that nothing in this Section 13 shall modify or waive the conditions, obligations, assumptions or apportionments, or supersede the provisions of Section 12 hereof.

SECTION 14.0 DEFAULT AND TERMINATION

14.1 In the event of any substantial failure on the part of User to perform its obligations under this Agreement and its continuance in such default for a period of sixty (60) days after

written notice thereof by certified mail from Owner, Owner shall have the right at its option, after first giving thirty (30) days' written notice thereof by certified mail, and notwithstanding any waiver by Owner of any prior breach thereof, to terminate the Trackage Rights and User's use of the Subject Trackage. The exercise of such right by Owner shall not impair its rights under this Agreement or any cause or causes of action it may have against User for the recovery of damages.

SECTION 15.0 UNIFORM DISPUTE RESOLUTION PROCESS

All disputes between Owner and User arising out of or relating to this Agreement shall be resolved first by negotiations between certain agreed officers on each party, then by mediation and finally by binding arbitration, in Washington, D.C. by a single arbitrator, under the Commercial Arbitration Rules and the large complex case procedures of the American Arbitration Association. Owner and User shall agree upon the terms of the dispute resolution process and be exclusively governed by such process, except that it shall not preclude provisional equitable or other provisional judicial relief to prevent irreparable harm or to preserve the status quo by enforcing the provisions of this Agreement pending resolution of disputes. The arbitration provision shall also provide for the consolidation of disputes or arbitrations if there are issues of fact or law common to the proceedings so that a consolidation proceeding would be more efficient than separate proceedings.

SECTION 16.0 REGULATORY APPROVAL

16.1 Should implementation of this Agreement require the prior approval and authorization of the Surface Transportation Board ("STB"), User, at its own cost and expense, will initiate and thereafter diligently prosecute an action to obtain such approval and authorization or an exemption therefrom. Owner will assist and support efforts of User to obtain any such required approval and authorization or exemption.

16.2 Each party shall assume and hold the other party harmless from all employee claims predicated on loss of, or adverse impact on, compensation, benefits or working conditions arising from this Agreement or the activities of the parties hereunder, whether such claims are based on conditions imposed by the STB or predicated on the Railway Labor Act or labor agreements.

16.3 Should the STB at any time during the term of this Agreement impose any labor protective conditions upon the arrangement; User, solely, shall be responsible for any and all payments in satisfaction of such conditions.

SECTION 17.0 ABANDONMENT OF SUBJECT TRACKAGE

17.1 Notwithstanding the provisions of Section 21 of this Agreement, Owner may abandon the Subject Trackage during the term of this Agreement, or any renewals hereof, upon giving User not less than ninety (90) days' written notice of Owner's intent to abandon. In the event regulatory authority is required to effect such abandonment, User will not interfere with Owner's actions to seek and to exercise such authority. In the event regulatory authority is required for User to discontinue its own operations over the Subject Trackage, User will seek and diligently pursue such regulatory authority at the same time that Owner seeks regulatory authority to abandon the Subject Trackage, or as soon thereafter as User may do so in accordance with applicable statutes and regulations, unless User intends to acquire the Subject Trackage from Owner pursuant to 49 U.S.C. Section 10904 or other similar provision. User

hereby expressly reserves the right pursuant to 49 U.S.C. Section 10904 or any similar provision which may be in effect to subsidize operations on or to acquire the Subject Trackage. Unless User or another party acquires the Subject Trackage for continued rail use or subsidizes Owner's operations thereon, User shall exercise its authority to discontinue its operations pursuant to this Agreement upon the date established by Owner for abandonment of the Subject Trackage by its aforesaid notice to User, or upon the earliest authorized date of exercise of the regulatory authority to discontinue operations, whichever is later. If regulatory authority for discontinuance of User's operations is not required, User shall discontinue its operations hereunder on the date that Owner is authorized to abandon the Subject Trackage. Upon discontinuance of User's operations, this Agreement shall terminate and be of no further force and effect, except that termination of this Agreement shall not relieve or release either party hereto from any obligations assumed or from any liability which may have arisen or been incurred prior to said termination. As used herein, Subject Trackage means the entire Subject Trackage or any portion or portions thereof.

SECTION 18.0 GENERAL PROVISIONS

18.1 This Agreement and each and every provision hereof are for the exclusive benefit of the parties hereto and not for the benefit of any third party. Nothing herein contained shall be taken as creating or increasing any right in any third party to recover by way of damages or otherwise against either of the parties hereto.

18.2 All Section headings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

18.3 This Agreement and the attachments annexed hereto and integrated herewith contain the entire agreement of the parties hereto and supersede any and all oral understandings between the parties.

18.4 No term or provision of this Agreement may be changed, waived, discharged, or terminated except by an instrument in writing signed by both parties to this Agreement.

18.5 As used in this Agreement, whenever reference is made to the trains, locomotives, cars, or equipment of, or in the account of, one of the parties hereto such expression means the trains, locomotives, cars, or equipment in the possession of or operated by one of the parties and includes such trains, locomotives, cars, or equipment which are owned by, leased to, or in the account of such party. Whenever such locomotives, cars or equipment are owned or leased by one party to this Agreement and are in the possession or account of the other party to this Agreement, such locomotives, cars, and equipment shall be considered those of the other party under this Agreement.

18.6 All words, terms, and phrases used in this Agreement shall be construed in accordance with the generally applicable definition or meaning of such words, terms, and phrases in the railroad industry.

18.7 This agreement is the result of mutual negotiations of the parties hereto, neither of whom shall be considered the drafter for purposes of contract construction.

18.8 Except as provided by law or by rule, order, or regulation of any court or regulatory agency with jurisdiction over the subject matter of this Agreement or as may be necessary or appropriate for a party hereto to enforce its rights under this Agreement, during the initial and any renewal term of this Agreement, all commercial information to which access is provided or obtained hereunder will be kept confidential and will not be disclosed by either Owner or User to any party other than Owner's and User's affiliates and the respective officers, employees, and attorneys of those affiliates, without the prior written approval of the other party.

SECTION 19.0 SUCCESSORS AND ASSIGNS

19.1

Neither party hereto may assign this Agreement, in whole or in part, or any rights granted herein, or delegate to another party any duties hereunder, except a subsidiary, or an affiliate, without the prior written consent of the other party. Any transfer, assignment, or delegation of this Agreement, or of any rights or duties herein granted or imposed, whether voluntary, by operation of law, or otherwise, without such consent in writing, shall be absolutely void, and at the option of the party whose written consent should have been obtained, this Agreement may be terminated. Subject to this Section, this Agreement shall be binding upon and inure to the benefits of the parties hereto, their successors and assigns

SECTION 20.0 NOTICE

20.1 Any notice required or permitted to be given by one party to the other under this Agreement shall be deemed given on the date sent by certified mail, or by such other means as the parties may mutually agree, and shall be addressed as follows:

If intended for Owner:

Sr. Vice President
Southern Region
17641 South Ashland Ave
Homewood, IL 60430

With a copy to:

Region Director Contracts
and Administration
17641 South Ashland Avenue
Homewood, IL 60430

If intended for User:

Executive Vice President Operations
Norfolk Southern Corporation
Three Commercial Place
Norfolk, Virginia 23510-2191

With a copy to:

Vice President Customer Service
Norfolk Southern Corporation
1200 Peachtree Street, NE, Box 152
Atlanta, Georgia 30309

20.2 Either party may provide changes in the above addresses to the other party by personal service or certified mail.

SECTION 21.0 COMMENCEMENT, TERM AND TERMINATION

21.1 This Agreement shall take effect on the date User commences operations over the Subject Trackage (which date is referred to herein as the "Commencement Date"). The Commencement Date shall not be prior to the effective date of any required regulatory approvals, and shall be evidenced by an exchange of correspondence between the appropriate operating officers of the parties hereto.

21.2 This Agreement shall continue in full force and effect for a period of twenty (20) years from the Commencement Date, and shall continue in full force and effect for additional one (1) year

term, provided, however, that User shall have the right to terminate this Agreement upon giving sixty (60) days' advance written notice to the Owner.

21.3 Termination of this Agreement shall not relieve or release either party hereto from any obligations assumed or from any liability which may have arisen or been incurred by either party under the terms of this Agreement prior to the termination hereof.

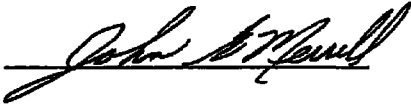
21.4 Upon termination or non-renewal of this Agreement, or for any other reason, User shall within sixty (60) days initiate and thereafter diligently prosecute any action to obtain approval from the Surface Transportation Board (STB) or other regulatory body having jurisdiction authorizing abandonment or discontinuance of the Trackage Rights herein granted. If User fails to file within (60) days, User hereby expressly authorizes Owner to file with the STB, or other regulatory body having jurisdiction, on behalf of User to abandon or discontinue the Trackage Rights granted hereunder, and User further agrees to reimburse Owner for all costs incurred.

SECTION 22.0 GOVERNING LAWS

The terms of this Trackage Rights Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate as of the day and year first hereinabove written.

WITNESS



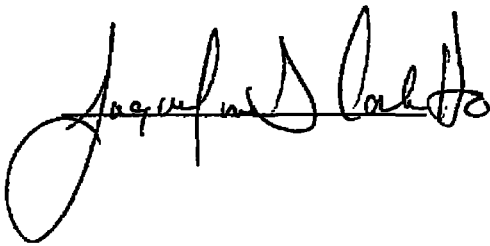
ILLINOIS CENTRAL RAILROAD COMPANY

By: 

Its: Region Director Contracts & Administration

Date: 8/17/09

WITNESS



NORFOLK SOUTHERN RAILWAY COMPANY

By: 

Its: Vice President Strategic Planning

Date: 8/17/09

EXHIBIT A

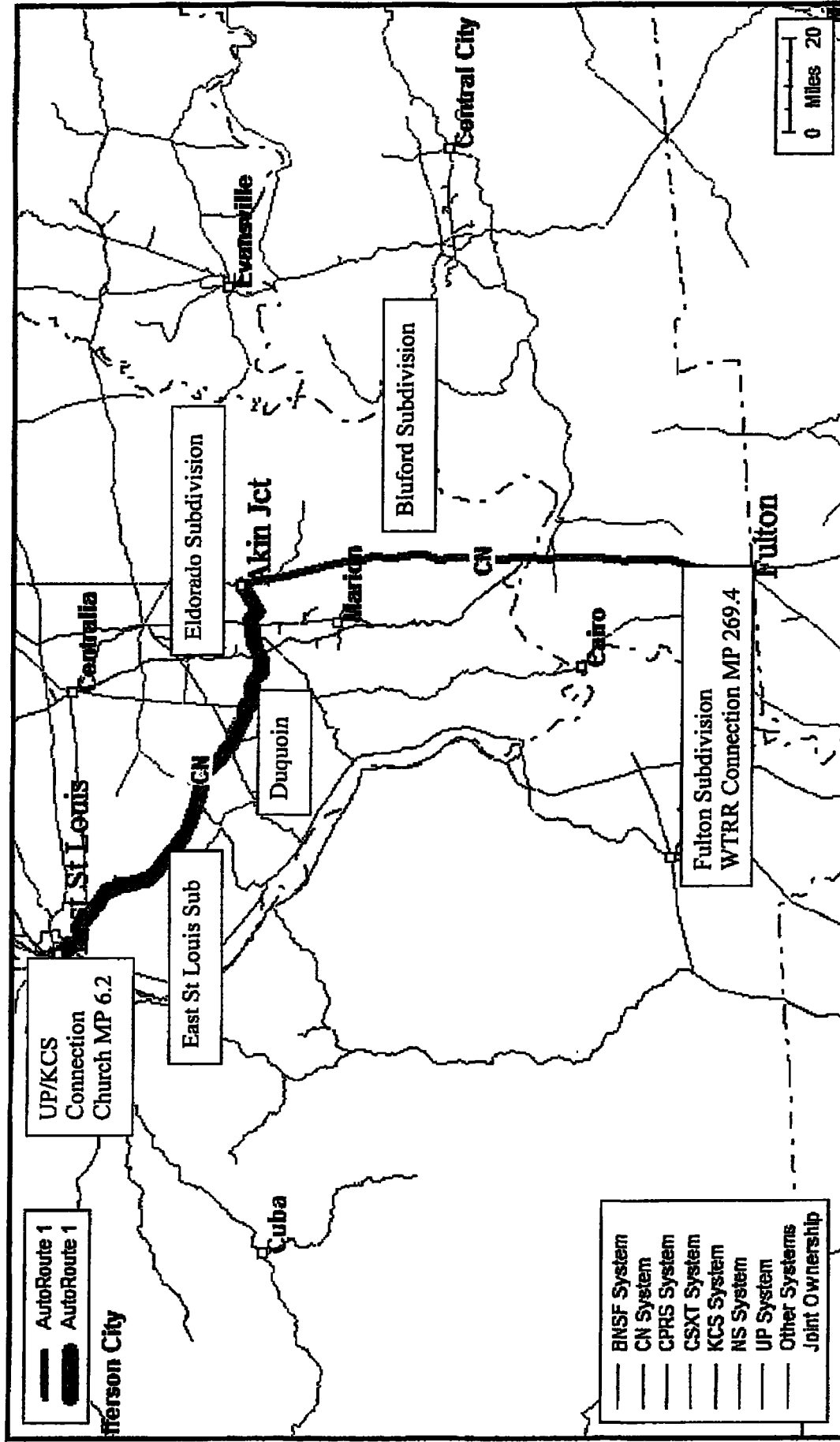


Exhibit 3

SURFACE TRANSPORTATION BOARD

Notice of Exemption

Finance Docket No. 35395

Norfolk Southern Railway Company – Trackage Rights Exemption – Illinois Central Railroad Company

The Illinois Central Railroad Company (“IC”) has agreed to grant overhead trackage rights to Norfolk Southern Railway Company (“NSR”) to permit NSR to operate over approximately 199.1 miles of rail line controlled by Illinois Central Railroad Company (“IC”), between: (1) MP 6.2 at Church, Illinois, to MP 70.0 at DuQuoin, Illinois; (2) MP 71.0 at Eldorado Junction, Illinois, to MP 100.0 at Akin Junction, Illinois; (3) MP 62.9 at Akin Junction, Illinois and MP 40.7 at North Siding, Illinois; and (4) MP 40.7 at North Siding, Illinois and the IC’s connection to the Western Tennessee Railroad at MP 269.4 (a distance of approximately 1.8 miles). The trackage rights will be effective no sooner than the latter of (1) the effective date of this Notice, or (2) the expiration of any labor notice period to which the carriers may be subject.

As a condition to this exemption, any employee affected by the acquisition of the trackage rights will be protected by the conditions imposed in Norfolk and Western Railway Company – Trackage Rights – Burlington Northern, Inc., 354 I.C.C. 605 (1978), as modified by Mendocino Coast Railway, Inc. – Lease and Operate – California Western Railroad, 360 I.C.C. 653 (1980).

This notice is filed under Section 1180.2(d)(7). If it contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35395, must be filed with the Surface Transportation Board, 295 E Street, S.W., Washington, D.C. 20423-0001. In addition, a copy of each pleading must be served on Daniel G. Kruger, Attorney, Norfolk Southern Corporation, Three Commercial Place, Norfolk, Virginia, 23510.

Dated:

Rachel D. Campbell, Director, Office of Proceedings